

# INFORMATION BULLETIN

## WORKFORCE INVESTMENT ACT

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: AUDIT REQUIREMENTS REMINDER

This bulletin to recipients of Workforce Investment Act (WIA) funds serves as a reminder of federal audit requirements.

Section 184(a) of the WIA requires that all subgrantees must comply with the federal Office of Management and Budget (OMB) Circular, which is applicable based on the type of entity receiving the funds. The WIA Final Regulations (Title 20 CFR 667.200) further clarify that all subgrantees, regardless of the type of entity, must comply with the audit requirements of OMB Circular A-133.

Per OMB Circular A-133 (as revised June 27, 2003), all entities expending \$500,000 or more in federal funds during a fiscal year must have a single audit or a program-specific audit conducted for that year, in accordance with the provisions of the Circular. For fiscal years ending on or before December 31, 2003, the expenditure threshold remains \$300,000. Continued noncompliance with this requirement, per the Circular, will result in sanctions against the entity. Sanctions may include various actions, ranging from a percentage of the federal award being withheld, to the award being terminated entirely.

To assist subgrantees in avoiding such sanctions, the Employment Development Department previously published WIA Directive [WIAD03-7](#) – Audit Requirements (September 9, 2003). The Directive provides specific policy and procedures for subgrantees to follow in order to ensure compliance with federal law and regulations with respect to audit requirements. All recipients of WIA funding should familiarize themselves with these requirements.

If you have any questions, please contact your [Regional Advisor](#) at (916) 653-6347 or Program Manager at (916) 654-6206.

/S/ BOB HERMSMEIER  
Chief  
Workforce Investment Division